



# NEWSLINE

## May is Retirement Planning Month

How much income will you need after you retire? How much will you get from your CalPERS pension? How much additional income will your 401(k) and/or 457 plan generate? Will it be enough?

Take some time during Public Employees Retirement Planning Month in May to sit down and map out your retirement income goals. The SPP Web site provides easy-to-use planning tools to help you get started.

In addition, Savings Plus and CalPERS have teamed up to produce a retirement planning kit. Kits are available online at the SPP and CalPERS sites, or you may request a kit by sending in the coupon in the Spring edition of CalPERS *Perspective*.

If you discover your current projected retirement income may fall short of your goals, review your Savings Plus investment choices and deferral amount to see how you can close that gap. Our new Savings Plus *Investment Guide* can help.

The theme for this year's Retirement Planning Month is

"Your Future. Your Choice."  
Choose to save with SPP.

## About the New Investments

Many Savings Plus participants have asked where they can get more information on the new investment choices being offered through SPP. We've also been asked why we transferred participants' assets to these new fund choices.

We appreciate these questions and encourage all SPP participants to review the new investment choices. There is now a more diverse selection, so you may discover new choices that are better suited to your goals.

### Where to get information

Use the SPP Web site to obtain fund prospectuses, view performance history, or link to the fund provider's Web site. To access prospectus information, first log on to your account, then select Fund Detail. The Fund Detail page includes options to view prospectuses online and order prospectuses. This page also

### Thank You!

We want to thank our participants for their patience as we make every effort to see that the highest level of service is provided. During the last few months we have experienced a very high volume of calls and correspondence regarding issues relating to the transition to our new recordkeeper, Nationwide Retirement Solutions and the movement of funds to the new investment options. The Savings Plus staff is committed to ensuring that the various processes and issues involved in this transition and program changes are resolved as quickly as possible.

### Inside This Issue

Retirement Month .....	1
About Investments .....	1
New Publications .....	2
Fund Codes .....	2
Fund Name Change .....	2
Changing Contributions .....	3
Enhanced Email .....	3
Web/VRS Tips .....	3
New IRS Rules .....	4
Asset Allocation .....	4

## New Investments

*continued from page 1*

provides the most current performance data over the past 1, 3, 5, and 10 years for each fund.

For links to fund providers, their phone numbers, and ticker symbols, simply click on Plan Info & Forms, then select Links to Fund Providers.

Some investment choices in our lineup were created just for SPP participants such as the CalPERS S&P 500 Index Fund, Savings Pool, Dwight Asset Management Fund, the two Hartford funds, VALIC Fixed Annuity, and the Nationwide Investor Destinations Funds. These funds are not listed on the providers' Web sites; online information for these funds is only accessible from the SPP site.

The new Savings Plus *Investment Guide* profiles the investment choices and offers guidance on making investment selections that are right for you.

## New Savings Plus Publications

Our new *Investment Guide* as well as our new *Getting Started* booklet are currently being printed and will be available by mid-May. The *Investment Guide* provides valuable information on the new investment fund choices. The *Getting Started* booklet, which will be provided to all new participants, will also serve as a summary plan description of the Savings Plus Program.

Once available you may print copies by accessing our Web site and going to Plan Info & Forms. You may also request a copy by calling the voice response system and following the prompts for forms and materials. The order number for the new *Investment Guide* is 8000. The order number for the *Getting Started* booklet is 8001.

### Why the funds changed

Contracts with the previous fund providers ended December 31, 2000. SPP, using the State's bid process, selected new providers based on a range of performance and cost criteria. All previous providers submitted bids but were outscored by the funds that were selected. Assets held by funds that were replaced were transferred to the new provider for that category, or the category closest to it.

Participants benefit from this lineup change by being able to choose from a wider variety of asset classes. How you diversify your investments across asset classes, called asset allocation, largely determines how much money you potentially earn over the long term.

### VRS Fund Codes

The voice response system requires you to enter a 4-digit code for an investment option you want to inquire about or change. This list of fund codes is current as of March 1, 2001. You may want to cut out and save this list to have for future use.

FUND	CODE
Accessor Small to Mid Cap Adv	2240
CalPERS/S&P 500 Index	2750
CalPERS/US Intermediate	2752
CalPERS/US Short-Term	2751
Domini Social Equity	2802
Dwight Asset Management GIC	2810
Federated Stock Trust	3445
Franklin Balance Sheet Investment	7817
Glenmede Inst International	4350
Hartford Advisers HLS	4250
Hartford Stock HLS	4252
Janus Twenty	5270
<i>Nationwide Investor Destination Funds:</i>	
ID – Aggressive	9723
ID – Moderately Aggressive	9722
ID – Moderate	9721
ID – Moderately Conservative	9720
ID – Conservative	9719
Savings Pool	2230
T Rowe Price Mid-Cap Growth	7736
VALIC Fixed Annuity	8965
Vanguard GNMA	8344
Vanguard Total Bond Mkt Index	8261
Vanguard US Growth	7824
<i>Hartford Variable Annuity Sub Accounts:</i>	
American Century Income & Growth	4237
Franklin Small Cap Growth Fund	4239
Hartford Bond HLS	4233
Hartford Capital Appreciation HLS	4238
Hartford Index HLS	4324
Hartford Money Market HLS	4231
Hartford Mortgage Securities HLS	4232
Janus Adviser International	4240
Janus Balanced	4230
MFS Capital Opportunities	4235
MFS Mass. Investors Growth Stock	4236
PCRA Sweep Account	7272

### Fund Name Change

The Investor Destination Funds are now called the Nationwide Investor Destination Funds. These 5 “asset allocation funds,” also known as “lifestyle funds,” are designed for participants who want to select just one fund for their SPP portfolio.

## Changing Your Contributions

You can make contribution changes to your 401(k) or 457 plan using the SPP Web site and voice response system (VRS). Such changes include the amount of your SPP paycheck deduction (“deferral amount”) and the fund choices where you want your deferral invested (“allocation”).

There are no limits on how often you can make a fund transfer (“exchange”), which involves moving assets already in your account to different investment choices.

When you process contribution changes online or using the VRS, the change is “pending” until your next deferral posts to your account. If you request a change while another change is pending, a “pending amendment” message will appear and your request will not be accepted.

For excluded employees receiving an employer 401(k) contribution, which is posted once per quarter, a “pending amendment” message will appear if you request a deferral or allocation change to your account more than once per quarter, even if the requested change applies only to your employee contribution. If you need to request a change sooner than the end of the quarter, a customer service representative (CSR) will need to process your request. In order to eliminate the need for participants to contact a CSR a system modification is being worked on and will be completed as quickly as possible.

## Enhanced Email

Savings Plus values what you have to say and your feedback is important to us.

Please take the time to check out our newly enhanced email feature on our web site – **[www.sppforu.com](http://www.sppforu.com)**.

The changes include two major enhancements 1) to allow for more efficient handling and response, a brief form has been developed to capture information which will help us direct inquiries to the appropriate staff; and 2) language has been added alerting participants that the email feature is not being

transmitted from a secure site and therefore participants should not transmit their social security number.

In addition, by clicking on the various subject areas listed, a subject-specific reference page will appear. These reference pages have been designed to provide information relating to the most commonly asked questions.

It is our hope that by taking a few minutes to read the information provided, your particular question or issue will be resolved. However the system

### Web/VRS Tips

**Passwords** – The SPP Web site and Voice Response System (VRS) require a separate password/PIN to access your account. This is for your protection. Your online password must be 8-20 characters (numerals and/or letters). For the VRS, use a 4-digit PIN.

**Forms & publications** – To access SPP forms and publications online, go to Plan Info & Forms, and click on Forms & Publications. Note: some forms have a different version for the 401(k) and 457 plan.

**“Pending Amendments”** – See the article on Contribution Changes for information on “pending amendments.”

will allow you the option to actually send an email on any additional questions you might have or to provide us with your comments.

When sending an email, you will be asked to provide your name and phone number. Depending on the nature of your email, this will allow us to contact you by phone and provide you with a more personal level of service. We hope the enhancements to our email feature serve as a valuable communication resource to our participants.

## IRS Rules on Minimum Distribution

New “minimum required distribution” rules were announced by the IRS in January. The new rules provide a simpler process to calculate distributions for SPP retirees required to begin receiving payouts at age 70½.

The initial IRS announcement left many unanswered questions for program administrators, which is why Savings Plus will delay implementation until

further guidance from the IRS is issued later this year. Changes will be implemented in January 2002. Once in place the rules will allow SPP retirees who want to take less money out of their account each year than current rules permit to reduce their minimum payment amount.

Savings Plus will report on the status of this rule change in a future NewsLine.

## What is Asset Allocation

It may sound technical, but asset allocation is a simple, and important, concept that will help you make the right investment decisions.

Asset allocation refers to how you diversify, or allocate, your investment dollars across different types of investments, called asset classes. You need an asset allocation strategy that is most likely to achieve the rate of return you need while minimizing your risk of losing money over the time period the assets will be invested.

There are two key factors in deciding your asset allocation: how long will you be able to leave your funds invested, and how much risk are you willing to take? The answers will help you decide into which asset classes you should be investing. In general, the longer your money will be invested, the more aggressive you can afford to be with your investment strategy. Conversely, a shorter timeframe, or other factors that limit how much risk you should take, generally means your assets should be allocated toward more conservative investments.

Savings Plus offers investments from eight asset classes, including one called “Asset Allocation” with funds ranging from “aggressive” to “conservative,” each containing a pre-mixed blend of other index funds for implementing a total asset allocation strategy. The other asset classes in SPP’s portfolio, in order of highest potential risk/return to lowest, are: international stocks, small-cap stocks, mid-cap stocks, large-cap stocks, balanced funds, bonds, and fixed income/cash.

Why is your asset allocation important? Studies have shown how your assets are allocated, not your specific investments, is the biggest factor in determining how your assets will grow over the long term.



State of California  
Department of Personnel Administration

**Savings Plus Program**  
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**Sacramento, CA 95814-6614**

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### Contact Information

#### Hours

Lobby: 8:00 a.m. - 5:00 p.m.  
Phone: 8:30 a.m. - 4:00 p.m.

#### SPP

##### Web site:

<http://www.sppforu.com>

##### Voice Response System:

(866) 566-4777

##### TDD:

(916) 327-4266  
8-467-4266 (CALNET)

##### FAX:

(916) 327-1885  
8-467-1885 (CALNET)

## New Quarterly Statements

Your quarterly statement has a new look and represents the first statement issued by our new recordkeeper, Nationwide Retirement Solutions. Please refer to the statement insert which will help you better understand the information provided. Additional information about the new quarterly statement is also provided on our Web site under FAQs (Frequently Asked Questions)